

Testimony of  
Gina McCarthy, Commissioner  
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On **“The Connecticut Experience: What Can be Done to  
Spur Brownfield Redevelopment Along  
America’s New England Corridor?”**  
Before the U.S. House Committee on Government Reform,  
Subcommittee on Federalism and the Census  
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Bridgeport, Connecticut

Mr. Chairman and members of the Subcommittee, thank you for inviting me to testify today. My name is Gina McCarthy and I am the Commissioner of the Department of Environmental Protection (DEP) in Connecticut. I appreciate the opportunity to share ideas for restoring and revitalizing the industrial legacy of New England.

I also wish to offer my thanks to Chairman Turner and Subcommittee members, and to Congressman Shays and Congresswoman Johnson of Connecticut for helping focus attention on brownfields redevelopment, an important component of our efforts to address environmental threats in concert with efforts to stimulate economic growth and revitalize urban communities.

I commend your insight in coming to Connecticut for a local hearing. You are correct in your observation that Connecticut, like all of New England, the Northeast, and the Midwest, does bear a disproportionate number of contaminated properties as a result of our regions’ common industrial legacy. When you add to that legacy Connecticut’s population density and its location between New York and Boston, you can appreciate that there are many underutilized commercial sites with significant redevelopment potential. At the same time, there are tremendous growth pressures that are currently threatening to consume our precious open land. It is our hope that by working together, we can redirect the development pressures to focus growth where it is most beneficial and sustainable – into the states’ urban areas where infrastructure exists, transit is accessible and these brownfields sites offer the prospect of environmental and economic success.

Mr. Chairman, I also commend your efforts to find financial incentive solutions through legislation such as the “America’s Brownfield Cleanup Act,” H.R. 4480. The creation of a federal business tax credit for expenditures related to the remediation and redevelopment of contaminated properties is an important incentive. It helps private developers that might not otherwise have enough capital to undertake brownfield projects. Allowing credits not just for pollution abatement but also for demolition costs, financial assurance expenses, and utility reconstruction is just the sort of comprehensive approach that could truly remove obstacles to brownfield cleanups.

Today I would like to describe Connecticut's cleanup and finance programs that address liability concerns and help spur the redevelopment of brownfields. I also hope to offer recommendations to continue promoting revitalization as a catalyst for cleanup.

In 1985, Connecticut passed the Property Transfer Act, a law that brings sellers and buyers together to disclose, discuss, and apportion cleanup liability at the time it makes the most sense—before the transaction, and provides DEP with a cleanup commitment. The Property Transfer Act helps stimulate brownfields redevelopment by ensuring that buyers are given the opportunity to take environmental conditions into account during the transaction negotiations, in the same way that a potential home buyer is informed of a leaky roof or faulty wiring. Defining what a cleanup will cost and knowing that the cleanup goal is defined allows a property transaction to account both for its impairment and its potential, reducing financial uncertainties that can hinder reuse opportunities.

More than 4,300 property transactions have occurred under this program over the past 20 years, demonstrating that contamination does not in itself prevent the sale or reuse of property. In total, more than 7,000 properties have been or are currently being remediated through federal and state programs in Connecticut, and thousands more are likely to have contamination that will necessitate some clean up.

Ten years ago, Connecticut put into place tools to provide certainty and predictability to owners and redevelopers of contaminated sites as a way to enhance brownfields redevelopment efforts. For example, Remediation Standard Regulations established scientifically sound performance standards to define cleanup endpoints that are protective of human health and the environment. The Remediation Standard Regulations allow a flexible approach that has tiered, risk-based cleanup levels that consider environmental setting and human exposure so that the most cost-effective, yet safe cleanup can be implemented.

Additionally, ten years ago Connecticut began licensing environmental professionals ("LEPs") to accommodate the increasing numbers of properties needing cleanup. The role of the LEP is to oversee environmental investigations and ultimately verify that cleanups are accomplished that meet state cleanup standards. The work of LEPs allows CT DEP resources to focus on setting and ensuring compliance with cleanup standards, providing guidance, and reviewing those cases that are not amenable to private sector oversight. Rigorous education, experience, and testing requirements have been put into place to ensure a pool of highly qualified LEPs.

To date, the state has licensed more than 300 LEPs. Continuing education requirements and collaborative education efforts between CT DEP and the LEP's professional organization ensure that these private sector environmental professionals are kept up to date on the latest trends in technology, policy, and regulation.

Given Connecticut's continued and expanding reliance on LEPs to support our state cleanup efforts, it is our hope that H.R.4480 will treat the expenditures resulting from remediation work conducted by LEPs in accordance with a DEP approved remediation

plan in a similar fashion to the work that DEP conducts itself, so that all legitimate DEP approved remediation efforts are appropriately and fairly considered.

Connecticut has also been in the forefront of states using land use restrictions as tools to minimize or eliminate the potential of people and the environment to be exposed to contamination. Such approaches have been safely and effectively integrated into redevelopment projects in Stratford, Bridgeport, Norwich, New London, and throughout the state. Here in Bridgeport, the former Jenkins Valve manufacturing plant was converted into a baseball park, skating rink and museum. The ballpark was built with \$11 million in private investments, \$1 million of local funding, and \$2 million in state funding. This project added 68 jobs to the local economy.

CT DEP can and will continue to build upon and improve its cleanup programs, but significant increases in both public and private investments are necessary if we hope to successfully speed up the pace of brownfields redevelopment. Different types of funding mechanisms may be needed for properties that have public values such as recreation space and transit centers, while certain privately financed projects may be better served by federal or state tax incentives.

Connecticut appreciates the federal funds devoted to brownfields, especially the support for local action. In recent years the United States Environmental Protection Agency ("EPA") has awarded over \$20 million directly to municipalities and regional organizations. EPA has provided approximately one million dollars per year for the last three years to Connecticut for this department's Brownfields work. The commitment of EPA and its New England Regional Office has been outstanding. However, increased support to spur actual remediation is needed. Federal tax credits, such as those proposed by Chairman Turner, and streamlined federal grants and loans, are tools that will help leverage the financing and cleanup work of existing federal and state brownfield programs.

In concert with our state brownfields partners, the Department of Economic and Community Development and the Connecticut Brownfields Redevelopment Authority, Connecticut has spent more than \$40 million in recent years redeveloping urban sites through direct financing. In 2001 state law was enacted enabling the Brownfields Redevelopment Authority to promote tax increment financing and tax credits. These financing tools help a project's cash flow by allowing resources to be used immediately. Highlights of the state's direct financing efforts include more than 50 significant projects that have converted contaminated industrial mill sites into regional retail centers, riverfront parks, and vibrant light industrial incubators close to highways, as well as scrapyards into global research centers.

The components of Connecticut's clean up program are in place and ready to accommodate the hard work of making contaminated properties safe and attractive for reuse. While cleanup is the Department of Environmental Protection's goal, we recognize that the land's value and revitalization, not the clean-up obligation, is the biggest driver for brownfields redevelopment.

Federal partnership with state and local government can help catalyze cleanup and revitalization that is the heart of safe communities, job retention and creation, and stabilized and growing tax bases. The community planning and infrastructure restoration and investment that is at the core of successful brownfields projects in Connecticut are fundamentally well served by state authorities and local implementation. However, national solutions and incentives are also critical if we are to substantially expand these successes.

Investing in our urban and village centers brings us closer to achieving our goals of environmental restoration, revitalized communities, preservation of open space and farmlands, and sustainable economic growth.

I look forward to working with Congress and Connecticut's General Assembly to continue the success of brownfield revitalization in Connecticut and the region.

Thank you for your attention and for this opportunity to comment. Mr. Chairman and members of the Subcommittee I am happy to respond to any questions you may have.